

HOUSE BILL 1504

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By: **Delegate Ross**

Introduced and read first time: March 4, 2010

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Campaign Finance Entities – Contributions, Transfers, and Reports**

3 FOR the purpose of prohibiting a political action committee located outside the State
4 from making certain transfers of more than a certain cumulative amount to a
5 campaign finance entity located in the State; specifying that a certain exception
6 to a certain prohibition regarding campaign finance activity during a regular
7 session of the General Assembly does not apply to a member of the General
8 Assembly; requiring a campaign finance entity to submit a campaign finance
9 report on a certain day of certain months; providing for a delayed effective date;
10 and generally relating to contributions, transfers, and reports of campaign
11 finance entities.

12 BY repealing and reenacting, with amendments,
13 Article – Election Law
14 Section 13–227, 13–235, and 13–309
15 Annotated Code of Maryland
16 (2003 Volume and 2009 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article – Election Law**

20 13–227.

21 (a) In this section, a “campaign finance entity” includes a nonfederal
22 out-of-state political committee.

23 (b) The limit on transfers set forth in [subsection (c)] **SUBSECTIONS (C)**
24 **AND (D)** of this section does not apply to a transfer:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) by a campaign finance entity to a ballot issue committee;

2 (2) between or among:

3 (i) political committees that are State or local central
4 committees of the same political party;

5 (ii) a slate and the campaign finance entities of its members;
6 and

7 (iii) the campaign finance entities of a candidate.

8 (c) During an election cycle, a campaign finance entity may not directly or
9 indirectly make transfers in a cumulative amount of more than \$6,000 to any one
10 other campaign finance entity.

11 **(D) DURING AN ELECTION CYCLE, A POLITICAL ACTION COMMITTEE**
12 **THAT IS LOCATED OUTSIDE THE STATE MAY NOT DIRECTLY OR INDIRECTLY**
13 **MAKE, TO A CAMPAIGN FINANCE ENTITY LOCATED IN THE STATE TRANSFERS IN**
14 **THE CUMULATIVE AMOUNT OF MORE THAN \$10,000.**

15 **[(d)] (E)** (1) All affiliated campaign finance entities are treated as a
16 single entity in determining:

17 (i) the amount of transfers made by a campaign finance entity;
18 and

19 (ii) the amount of transfers received by a campaign finance
20 entity.

21 (2) Campaign finance entities are deemed to be affiliated if they:

22 (i) are organized and operated in coordination and cooperation
23 with each other; or

24 (ii) otherwise conduct their operations and make their decisions
25 relating to transfers and other contributions under the control of the same individual
26 or entity.

27 **[(e)] (F)** The limit on transfers to the campaign finance entities of a
28 candidate prescribed in **[subsection (c)] SUBSECTIONS (C) AND (D)** of this section
29 applies regardless of the number of offices sought by the candidate.

30 13-235.

31 (a) This section applies to the following officials:

- 1 (1) the Governor;
- 2 (2) the Lieutenant Governor;
- 3 (3) the Attorney General;
- 4 (4) the Comptroller; and
- 5 (5) a member of the General Assembly.

6 (b) Except as provided in subsection (c) or (d) of this section, during a regular
7 session of the General Assembly an official described in subsection (a) of this section,
8 or a person acting on behalf of the official, may not, as to a candidate for federal, State,
9 or local office, or a campaign finance entity of the candidate or any other campaign
10 finance entity organized under this title and operated in coordination with a
11 candidate:

- 12 (1) receive a contribution;
- 13 (2) conduct a fund-raising event;
- 14 (3) solicit or sell a ticket to a fund-raising event; or
- 15 (4) deposit or use any contribution of money that was not deposited
16 prior to the session.

17 (c) An official, **OTHER THAN A MEMBER OF THE GENERAL ASSEMBLY**,
18 described in subsection (a) of this section, or a person acting on behalf of the official, is
19 not subject to this section when engaged in activities solely related to the official's
20 election to an elective federal or local office for which the official is a filed candidate.

21 (d) Under the Public Financing Act, a gubernatorial ticket, during the year of
22 the election only, may accept eligible private contributions and any disbursement of
23 funds by the State Board that is based on the eligible private contributions.

24 (e) (1) As to a violation of this section, the campaign finance entity of the
25 official in violation is liable for a civil penalty as provided in this subsection.

26 (2) The State Board, represented by the State Prosecutor, may
27 institute a civil action in the circuit court for any county seeking the civil penalty
28 provided in this subsection.

29 (3) A campaign finance entity that receives a contribution as a result
30 of the violation shall:

- 31 (i) refund the contribution to the contributor; and

1 (ii) pay a civil penalty that equals the sum of \$1,000 plus the
2 amount of the contribution.

3 13–309.

4 (a) Subject to other provisions of this subtitle, a campaign finance entity
5 shall file campaign finance reports as follows:

6 (1) except for a ballot issue committee, on or before the fourth Tuesday
7 immediately preceding each primary election except a presidential primary election;

8 (2) except for a ballot issue committee, on or before the second Friday
9 immediately preceding a primary election;

10 (3) on or before the second Friday immediately preceding a general
11 election; and

12 (4) on or before the third Tuesday after a general election.

13 (b) (1) A campaign finance entity is subject to subsection (a) of this
14 section and this subsection only as to the election in which the entity designates that it
15 will participate.

16 (2) In addition to the campaign finance reports required under
17 subsection (a) of this section, but subject to paragraph (4) of this subsection, a
18 campaign finance entity shall file campaign finance reports on:

19 (I) the third Wednesday in January;

20 (II) **THE THIRD WEDNESDAY IN MAY; AND**

21 (III) **THE THIRD WEDNESDAY IN JULY.**

22 (3) (i) If subsequent to the filing of its declaration under §
23 13–208(c)(3) of this title, a campaign finance entity participates in an election in which
24 it was not designated to participate, the campaign finance entity shall file all
25 campaign reports prescribed under subsection (a) of this section for that election.

26 (ii) A violation of subparagraph (i) of this paragraph constitutes
27 a failure to file by the campaign finance entity, and the responsible officer is guilty of a
28 misdemeanor and on conviction is subject to the penalties prescribed under Part VII of
29 this subtitle.

30 (4) If a campaign finance entity has neither a cash balance nor an
31 outstanding obligation at the end of a reporting period, a campaign finance report for
32 that period, clearly marked as “final”, shall be filed on or before the due date, and no
33 further report is required.

1 (c) In addition to the campaign reports required under subsection (a) of this
2 section, a continuing political committee shall file a campaign finance report on the
3 third Wednesday in January of each year the committee is in existence.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 January 1, 2011.